

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>LAND SECURITIES INVESTORS LTD.,</p> <p>v.</p> <p>Respondent:</p> <p>DOUGLAS COUNTY BOARD OF COMMISSIONERS.</p>	<p>Docket No.: 65111</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on March 2, 2015, Debra A. Baumbach and Louesa Maricle presiding. Petitioner was represented by Sharlene J. Aitken, Esq. Respondent was represented by Meredith P. Van Horn, Esq. Petitioner is requesting an abatement/refund of taxes on the subject property for tax year 2013.

The parties stipulated to expert witnesses and the admission of Petitioner’s Exhibits 1 and 2, and Respondent’s Exhibits A and B, subject to objections to specific items within the exhibits. Two parcels were withdrawn and the parties stipulated to the value for a third parcel.

The subject properties are described as follows:

**23 Vacant residential lots located in Chatfield Farms Subdivision
Filings 1-A, 1-A 1st Amendment, and 1-A 5th Amendment,
Unincorporated Douglas County, Colorado
Douglas County Parcel and Account Nos.: See Addendum**

The subject properties include 23 vacant single family lots located west of Rampart Range Road and north of Waterton Road in the Roxborough Downs area south of Chatfield State Park. The lots vary in size and have different location attributes within the Chatfield Farms Subdivision and are categorized by Respondent as 8 interior lots, 9 greenbelt/view lots, 3 smallest lots, 2 large lots along Waterton Rd., and 1 large greenbelt/view lot. The lots range in size from 1.01 to 4.33 acres. The lots do not have infrastructure and have been classified as vacant land by Respondent for assessment purposes.

Petitioner is requesting a total actual value of \$2,530,000 for the subject properties for tax year 2013. Respondent assigned a value of \$4,409,000 for the subject property for tax year 2013.

Both parties relied on the sales comparison approach to determine market values for the properties. The methodology used by both parties began by establishing a base lot value for a typical interior lot that does not have any above average views or location attributes, such as being next to a greenbelt. Adjustments were then made to the base value of each subject lot for positive and negative characteristics including but not limited to general location, size, view, and greenbelt location to determine a value for each lot. Both parties determined that the subject lots were not eligible for present worth discounting.

Petitioner contends that Respondent did not adequately consider distressed economic conditions affecting lot values, limited access to the subject lots, views, and traffic noise affecting some of the lots. Petitioner objected to Respondent's use of a sale that occurred prior to the statutory 18-month base period as being unnecessary when there were sufficient sales within the base period. Petitioner also contends that Respondent's sales adjustment grid does not include quantitative adjustments, so is less reliable than Petitioner's analysis.

Petitioner presented witness testimony of Mr. Mike Shafer of Property Tax Refund Consultants, LLC. Mr. Shafer testified that only two of the original 28 "Estate" lots in the subdivision filings that include the subject lots have had homes built on them since 2002 and distressed economic conditions have adversely affected lot values since 2007. The lots have inferior one-road-in/one-road-out access. The subject lots are more characteristic of tract home lots than luxury home lots in other nearby subdivisions that have gated access and golf course lots. The subject lots do not have views of the red rock outcroppings in the area and are located close to the foothills, so have inferior views compared to lots with broader foothill views. The witness testified that the subject lots also have predetermined building envelopes, which adversely affects value. The presence of and high tension power lines in the vicinity is also a negative characteristic. The witness testified that he made no adjustments to the sales for the high tension power lines.

Using the methodology previously described, Mr. Shafer made quantitative (percentage) adjustments to six sales that occurred during the 18-month base period. Before adjustments the sales range in price from \$73,500 to \$240,000. After adjustments, the range was \$80,850 to \$121,550. The witness testified that he gave most weight to Sales 1 through 4 and concluded to an initial base lot value of \$110,000 for the subject lots. He then made adjustments to the base value of the lots for the superior and inferior characteristics attributable to each. The witness made adjustments in his analysis for general location, lot size, greenbelt lots, traffic noise for lots located near Rampart Road or Waterton Road, for location next to commercial uses, views, and rock outcroppings. Adjustments for some characteristics, such as view and size, are based on the magnitude of adjustments used by Respondent. After making the lot specific adjustments the witness concluded to values for the individual lots ranging from \$82,500 to \$137,500. Based on the market approach, Petitioner's witness concluded to a combined value of \$2,530,000 for the subject properties.

Respondent contends that the subject properties are located in a beautiful area close to the Chatsfield and Roxborough State Parks and have good views. The lots are located close to retail services, major roads, and employers. Three sales used by Petitioner that were not also used by Respondent are not comparable to the subject lots because those sales are in inferior locations farther from the subject properties, more isolated, and not close to services.

Respondent presented Virginia K. Wood, Certified Residential Appraiser employed by the Douglas County Assessor Office as witness. Ms. Wood testified that the subject lots are larger than the higher density lots located to the south of Waterton Road and all have good lake, foothills, or greenbelt views. To establish a base lot value for the subject properties, the witness analyzed four sales including three that occurred within the 18 month base period and one sale that occurred in 2010, within the extended base period. Ms. Wood presented narrative qualitative adjustments (applied grading of superior, inferior, or similar to individual characteristics) to the sales for differences in lot size, views, for lot location characteristics such as a greenbelt lot within the respective subdivisions, and one sale was adjusted for drainage issues. Because the witness used qualitative rather than quantitative adjustments in her analysis, she did not conclude to an adjusted value for each of the sales. The witness weighed the superior and inferior characteristics of the sales compared to a typical subject interior lot and, giving most weight to Sales 1 and 2, Ms. Wood concluded to a base lot value of \$180,000. The witness then made adjustments to the base value of the lots for the superior and inferior characteristics attributable to each. Ms. Wood applied adjustments for view, greenbelt sites, and lot size. After making the lot specific adjustments, the witness concluded to values for the individual lots ranging from \$168,000 to \$220,000. Based on the market approach, Respondent's witness concluded to a combined value of \$4,409,000 for the subject properties.

Ms. Wood testified that the statement by Petitioner's witness regarding Respondent's use of a 25% view adjustment is not accurate. Respondent has used view adjustments of up to 25%, depending on view characteristics. As a result, it was Ms. Wood's opinion that Petitioner's analysis overstated view adjustments.

Respondent assigned an actual value of \$4,409,000 to the subject property for tax year 2013.

Petitioner presented insufficient probative evidence and testimony to prove that the tax year 2013 valuation of the subject property was incorrect.

The Board finds that Respondent did consider economic conditions within the county during the 18 month base period as well as the extended base period and presented evidence showing improving economic factors. Despite that, Respondent's analysis concluded that an upward adjustment for improving market conditions was not supported, which favors Petitioner. The Board finds that Petitioner's witness did not present adequate evidence to support a downward adjustment for economic conditions. Petitioner's witness did not provide any market evidence to support downward adjustments to the sales analyzed for traffic noise or location next to a commercial use attributed to some of the subject lots. The witness did not provide market evidence to support his opinion that value is adversely affected by having only one primary access road to the sites. Petitioner's witness did not provide any evidence to support his claim that a predetermined building

envelope and the presence of high tension power lines in the area adversely affect value. The witness did not make adjustments for those two characteristics, but gave testimony that they should be considered. Petitioner's witness did not provide any credible market evidence to support the magnitude of his downward adjustments to each sale for views, which ranged from 25% to 45%.

With regard to Petitioner's objection to Respondent's use of a sale outside the statutory base period (Respondent's Sale 1), the Board concludes that the sale was within the extended base period and eligible for consideration.

The Board concludes that Petitioner failed to present persuasive, credible evidence to support the large adjustments made to each of Petitioner's sales. The net adjustments made to the four sales given primary weight by Petitioner's witness in the base lot value analysis range from 35% to 55%. Therefore, the Board concludes that Petitioner's quantitative sales adjustment analysis does not provide more credible value conclusions than presented by Respondent.

ORDER:

The petition is denied. The Board upholds Respondent's value of \$4,409,000.

APPEAL:

If the decision of the Board is against Petitioner, Petitioner may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-nine days after the date of the service of the final order entered).

If the decision of the Board is against Respondent, Respondent, upon the recommendation of the Board that it either is a matter of statewide concern or has resulted in a significant decrease in the total valuation for assessment of the county wherein the property is located, may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provision of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-nine days after the date of the service of the final order entered).

In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law when Respondent alleges procedural errors or errors of law by the Board.

If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation for assessment of the county in which the property is located, Respondent may petition the Court of Appeals for judicial review of such questions.

Section 39-10-114.5(2), C.R.S.

DATED and MAILED this 8th day of April 2015.

BOARD OF ASSESSMENT APPEALS

Debra A. Baumbach

Debra A. Baumbach

Louesa Maricle

Louesa Maricle

I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

Milla Lishchuk

Milla Lishchuk



DOCKET 65111 - SUBJECT PROPERTY PARCEL IDENTIFICATION

State Parcel No.	Account No.	Legal Description	Land Area Acres +/-
222735101002	R0439899	LOT 121 CHATFIELD FARMS FILING 1-A	4.06
222735101003	R0439900	LOT 122 CHATFIELD FARMS FILING 1-A	4.33
222735101004	R0439901	LOT 123 CHATFIELD FARMS FILING 1-A	2.68
222735101005	R0439902	LOT 124 CHATFIELD FARMS FILING 1-A	2.35
222735101009	R0439906	LOT 128 CHATFIELD FARMS FILING 1-A	2.94
222735101011	R0439908	LOT 130 CHATFIELD FARMS FILING 1-A	2.57
222735101016	R0439913	LOT 135 CHATFIELD FARMS FILING 1-A	1.16
222735101017	R0439914	LOT 136 CHATFIELD FARMS FILING 1-A	1.24
222735101018	R0439915	LOT 137 CHATFIELD FARMS FILING 1-A	1.87
222735101019	R0439916	LOT 138 CHATFIELD FARMS FILING 1-A	2.30
222735101020	R0439917	LOT 139 CHATFIELD FARMS FILING 1-A	2.30
222735101021	R0439918	LOT 140 CHATFIELD FARMS FILING 1-A	2.30
222735101023	R0439920	LOT 142 CHATFIELD FARMS FILING 1-A	2.30
222735101024	R0439921	LOT 143 CHATFIELD FARMS FILING 1-A	2.03
222735101025	R0439922	LOT 144 CHATFIELD FARMS FILING 1-A	2.31
222735101026	R0439923	LOT 145 CHATFIELD FARMS FILING 1-A	2.38
222735101027	R0439924	LOT 146 CHATFIELD FARMS FILING 1-A	2.30
222735101028	R0439925	LOT 147 CHATFIELD FARMS FILING 1-A	2.30
222735101029	R0439926	LOT 148 CHATFIELD FARMS FILING 1-A	2.30
222735101038	R0451009	LOT 120A CHATFIELD FARMS FILING 1-A 1ST AMENDMENT	4.14
222735101048	R0473811	LOT 131A CHATFIELD FARMS FILING 1-A 5TH AMENDMENT	2.43
222735101049	R0473812	LOT 132A CHATFIELD FARMS FILING 1-A 5TH AMENDMENT	2.30
222735101051	R0473814	LOT 134A CHATFIELD FARMS FILING 1-A 5TH AMENDMENT	1.01